

April 24, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

COUNTY OF LOS ANGELES EMPLOYEE CHILD CARE CENTERS

The County opened its first on-site employee child development center in September 1988. Since that time, your Board has taken the following actions aimed at expanding child development services, including:

- Adoption of a motion by Supervisor Yaroslavsky on February 3, 1998, directing my office to work with the Child Care Advisory Board to develop a policy that would require the incorporation of child care centers in new or substantially renovated County facilities, similar to the State's policy.
- Adoption of a motion by Supervisor Yaroslavsky on March 7, 2000, directing my office to assess the feasibility of providing child care services in each County-owned facility and all County parks based on specific criteria. This motion also directed my office, in conjunction with the Department of Human Resources, to develop a Strategic Plan for County employee child care services. This plan was forwarded to your Board on July 17, 2000.

The following subsequent actions have taken place based on the implementation of the Strategic Plan, and a recommended protocol is planned for implementation. This protocol will improve the effectiveness of conducting feasibility studies for future County child care centers.

Outreach and Impact on Productivity

An outreach effort was conducted in 2000 to promote increased employee understanding and utilization of the Dependent Care Spending Account (DCSA). Enrollment in DCSA increased 10 percent. A pamphlet outlining the range of child care assistance available to County employees was developed and distributed and is still available. County employees can access the child care-related information at the CAO, Service Integration Branch (SIB), Office of Child Care Web Site. Contact information is included for child care resource and referral agencies serving Los Angeles and adjacent counties. These agencies are charged with assisting parents seeking child care services. This Web Site includes resources to guide employees seeking child care during nontraditional hours and in backup situations, however, specific facilities are not listed for this type of care as information is extremely fluid and would require significant staff resources to ensure its accuracy. Plans for furthering enhancing access to available child care information include incorporating Internet survey capabilities at the CAO/SIB Web Site in conjunction with the implementation of approved Information Technology Funding.

Interest and Demand for County Child Care Centers

The Office of Child Care has identified 24 areas within the County where there are high concentrations of County employees with children under six years of age, and a potential need for additional employee child care centers. Attached is a list of these areas, which includes the estimated number of employees with children under age six and the percentage of child care demand met by existing licensed child care programs. The full study detailing information on each of the 24 areas is available upon request from CAO/SIB/Office of Child Care.

The 24 areas with a potential need for employee child care emerged after plotting:

- Home and work locations of employees with children under six years of age;
- Zip Code clusters with 400 or more employees with children under six years of age, within a 20-mile area; and
- County facilities and employees in or near these Zip Codes.

Consistent with other studies, the supply of infant care was revealed to be inadequate throughout all of the 24 identified areas. In 22 areas, only one-third of the demand for infant care was met by the current supply. In three of the 24 areas, the existing supply of preschool care met less than 50 percent of the demand. In 11 areas, the supply of preschool care appeared to meet between 54 and 93 percent of the demand, and in the final ten areas, the existing supply of preschool care appeared to meet between 99 or better of the need for care.

Rather than having an oversupply of care, these ten areas appear better able to allow parents the opportunity to exercise choice among a variety of child care options for their preschool-age children.

The comparison of the potential demand for child care services in relation to the existing supply of licensed child care did not address issues of affordability, quality, or scheduling. We are aware that there is significant variation in family incomes among County employees, as well as considerable variations in the cost of care. Of the over 3,000 licensed child care centers in the County of Los Angeles, fewer than 150 have met the higher program quality standards and secured accreditation by the National Association for the Education of Young Children (NAEYC).

As noted, this analysis focused on children from birth to six years of age. There is also a need for expanded before- and after-school child care services. The County's ability to address its employees' need for school-age child care services through a traditional center model is complicated, given the distances that County employees commute from home to work, variations in school district schedules, and the additional facility regulations and associated costs to integrate school-age children in a child development center.

While the 24 areas identified appear to have sufficient concentrations of County employees with children under six years of age to support an employee child care program, site-specific Child Care Reviews must be conducted to confirm the specific needs and preferences of employees; the availability, affordability, and quality of existing child care services; and to assess the feasibility of developing County-sponsored programs.

Affordability

The Child Care Task Force continues to struggle with identifying mechanisms that make employee child care services more affordable to low- and moderate-income employees. While the Task Force supports using operators who can bring government subsidies to the employee child care program, they also recognize that these programs target very low-income families. To be eligible for Head Start services, the annual earnings for a family of three must be under \$15,021. The California Department of Education's subsidy programs allow a family of three to receive a partial subsidy until their annual earnings exceed \$35,100; however, lowest-income families have priority for enrollment. As a result, only a limited number of County employees can meet these eligibility criteria.

As an alternative, plans for development of a new Van Nuys Employee Child Care Center include a commitment to supporting a small scholarship fund. This fund is intended to assist low-paid County employees in accessing care at the employee child care center by providing partial relief from the full cost of care. The details on how the program will be implemented are being finalized.

County departments who are interested in developing employee child development centers must consider affordability when developing plans. Start-up costs associated with renovating, building-out, or constructing an appropriate facility can be significant. Both start-up and ongoing costs have been minimized in cases where the employee child care program was developed on existing County-owned property. In these cases, ongoing department costs have been limited to janitorial, maintenance, utilities, and staff time to monitor the child care operator's contract.

By contrast, the Department of Public Social Services (DPSS) has developed five employee child care programs in leased office park space. The build-out and ongoing lease costs for these child care programs are comparable to the rates negotiated for the adjacent office space, however, the space costs are significantly higher than existing County-sponsored child care centers. If the child care programs are used only by employees of DPSS and the Department of Children and Family Services (DCFS), the lease costs can be offset by existing revenue sources. In the event that employees from other departments or the public participate in the program, the facility costs must be paid by the operator. These costs would be passed on to non-DPSS/DCFS employees, resulting in service fees that are substantially higher than market rates for child care, which reduces full usage of available services.

Currently, the child care program developed at DPSS headquarters, which operates on a 4/40 schedule, is not utilized at full capacity, and three other child care sites are not operational. Constrained by the regulatory requirements for indoor and outdoor space, these four sites have been developed to serve fewer than 65 children. The limited capacity of these programs, coupled with the operational offset funding restrictions described above, has delayed the opening of three of the facilities. DPSS is working to address these administrative barriers to open the remaining programs and finalize the development of an additional site. The Office of Child Care will assist DPSS as requested.

Recommended Protocol for Incorporating Child Care Centers into County Facilities

The following protocol is designed to assess the feasibility of providing child care services in leased and County-owned facilities. Consistent use of this protocol will ensure the efficient use of County resources and the development of child care services that are accessible to the broadest spectrum of County employees.

When assessing the feasibility of an employer-sponsored child care center, it is generally estimated that 5 percent of employees will use a center at or near their work site. This proportion may increase if the employer subsidizes the center, resulting in below market-rate fees for care. Utilization is also expected to increase in areas with high concentrations of employees with children under six years of age.

Because child care center operators are more likely to recover their operating costs in programs serving 80 or more children, future County employee child care centers should be designed to serve between 80 and 100 children.

Recognizing that an appropriate size pool of employees is needed to support a viable child care program, it is recommended that a Child Care Review be initiated when one of the following criteria is met:

- A concentration of 2,000 County employees exists within a three-mile radius of a planned County facility (leased space and/or new construction), or
- Demographic information reveals a concentration of 400 employees with children under six years of age within a three-mile radius of a planned County facility (leased space and/or new construction).

The Child Care Review is to be undertaken to: 1) determine the existing supply of community child care services in the identified area; 2) assess the child care needs of employees currently working in, or plan to be relocated to that area; and 3) evaluate the feasibility of incorporating an employee child care center into the proposed space, including the confirmation of ongoing financial support for program operations and facility-related costs. This information is critical in determining if community-based child care programs should be utilized and/or enhanced, or if new facilities need to be developed.

The Child Care Review will include the following steps:

1. County department(s) initiating the space request or construction project will contact Financial and Asset Management Branch (FAMB) of the CAO. FAMB will:
 - Inform the department(s) of the Board of Supervisor's intent to incorporate high-quality, sustainable employee child care programs into County facilities;
 - Assess if the proposed facility can meet the basic space requirements to include a child care program; and
 - Notify CAO/SIB/Office of Child Care of the proposed lease or construction project.
2. FAMB will identify all existing County facilities within a three-mile radius of the proposed County facility.

3. CAO/SIB/Office of Child Care will support departments by surveying, analyzing, and compiling findings on existing supply of licensed child care centers and licensed family child care homes within the radius to learn:
 - a. Ages of children served;
 - b. Days and hours of operation;
 - c. Fees charged and eligibility requirements;
 - d. Program standards (e.g., accreditation, curriculum, and licensing history); and
 - e. Current vacancies and enrollment procedures.
4. CAO/SIB/Office of Child Care will assist departments within a three-mile radius of the proposed County facility with surveying their employees regarding child care needs, preferences, and ability to pay. The results of the employee survey will be compiled and analyzed by the Office of Child Care in conjunction with the results of the child care supply survey results.
5. If the results of the child care supply and employee child care needs surveys suggest that existing community-based child care programs are able to meet the needs of County employees, CAO/SIB/Office of Child Care will facilitate linkages between the departments and these agencies.
6. If the current supply of community-based programs could be modified (open earlier, include infants, etc.) or enhanced (playground modified, staff development, etc.), CAO/SIB/Office of Child Care and participating departments will assess the financial implications and additional resources needed to support the proposed changes.
7. If it is determined that additional child care facilities will need to be developed and/or constructed:
 - CAO/FAMB, in conjunction with SIB/Office of Child Care, will assess if the proposed County facility can accommodate the indoor and outdoor requirements for a child care center serving 80 or more children. At a minimum, 4,000 square feet of interior space and 6,000 square feet of outdoor space will be needed.
 - CAO/FAMB, in conjunction with SIB/Office of Child Care, will determine the initial build-out/construction costs, as well as ongoing maintenance and lease costs associated with the proposed child care component.

- If the projected ongoing maintenance and lease costs are comparable to rates paid by child care programs in the area, the lead/host County department will prepare an ongoing operations budget. Participating departments, in conjunction with their CAO Budget Analyst, will identify the level of ongoing support they will commit to the child care program.
- If the capital project/lease space does not support a sustainable or affordable child care program, and the existing child care supply is unable to meet the needs of County employees, SIB/Office of Child Care will work with FAMB to identify alternative locations.

Recommendation

Implementation of this protocol will promote the usage of existing community resources, prevent the development of facilities that are not able to reach full utilization, and ensure that adequate, ongoing funding is available to support child care services that are high-quality and affordable. Our employees and their children will benefit by having increased access to needed child care services.

The CAO plans to implement the recommended protocol as of May 15, 2003. If you have any questions, please call me or your staff can contact Kathleen Malaske-Samu, Director of the Office of Child Care, at (213) 974-2440.

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Attachment

Areas with High Concentrations of County of Los Angeles Employees with Children Under Six Years of Age

Summary Table

	Area Name Area Zip Codes ⁽¹⁾	Square Miles	Estimated County of Los Angeles Employees With Children Under Six Years of Age Living or Working in Area ⁽²⁾	Infant Capacity Family Child Care	Infant Capacity Center	Total	Percentage of Infant Demand Met ⁽³⁾	Preschool Capacity Family Child Care	Preschool Capacity Center	Total	Percentage of Preschool Demand Met ⁽³⁾
1	Lancaster 93534, 93535, 93536	612	601	454	33	487	24%	571	1,744	2,315	111%
2	Palmdale 93550, 93551, 93552	245	426	675	53	728	33%	850	1,128	1,978	90%
3	Santa Clarita (part) 91321, 91350, 91351, 91354, 91355	258	597	544	181	725	27%	685	2,572	3,260	122%
4	Sylmar and San Fernando 91340, 91342	139	626	174	90	264	13%	219	1,118	1,337	69%
5	Van Nuys 91401, 91402, 91405, 91411	13	344	205	30	235	9%	246	1,596	1,839	67%
6	Wilshire 90005, 90010, 90020, 90057	4	758	65	0	65	7%	102	818	920	93%
7	Central Los Angeles (part) 90012*	3	1,612	27	54	81	67%	47	345	392	288%
8	Boyle Heights (part) and North East Los Angeles (part) 90031, 90033	7	1,071	110	80	190	11%	125	1,048	1,173	67%
9	East Los Angeles and Monterey Park 90022, 90063, 91754	13	992	242	102	344	13%	306	1,297	1,603	61%
10	El Monte and South El Monte 91731, 91732, 91733	16	408	90	45	135	6%	113	1,111	1,224	54%

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11	West Covina (part) and La Puente 91744, 91746, 91790	20	480	258	97	355	13%	325	1,425	1,752	64%
12	Covina (part) and West Covina 91723, 91724, 91791	15	430	140	104	244	25%	176	1,117	1,293	132%
13	Culver City and Crenshaw 90008, 90016, 90043 90055, 90056, 90230, 90232	20	460	725	122	847	37%	913	2,633	3,546	143%
14	University (part) 90007, 90018, 90037, 90062	10	639	381	146	526	20%	478	2,250	2,728	99%
15	South Central Los Angeles (part), South Gate, Huntington Park 90001, 90002, 90255, 90280	14	505	238	0	238	7%	300	1,211	1,511	43%
16	Downey (part) 90242	5	665	96	22	118	20%	121	154	275	46%
17	Norwalk 90650	10	453	193	53	246	14%	243	844	1,087	60%
18	Inglewood 90301, 90302, 90303, 90304, 90305	11	344	431	54	485	20%	532	1,543	2,075	82%
19	South Central Los Angeles (part) 90044, 90047	10	508	671	177	848	37%	846	1,993	2,839	117%
20	South Central Los Angeles (part) Compton (part), and West Compton 90059, 90061, 90222	9	446	224	71	295	22%	252	1,252	1,534	109%

	Area Name Area Zip Codes ⁽¹⁾	Square Miles	Estimated County of Los Angeles Employees With Children Under Six Years of Age Living or Working in Area ⁽²⁾	Infant Capacity Family Child Care	Infant Capacity Center	Total	Percentage of Infant Demand Met ⁽³⁾	Preschool Capacity Family Child Care	Preschool Capacity Center	Total	Percentage of Preschool Demand Met ⁽³⁾
20	South Central Los Angeles (part) Compton (part), and West Compton 90059, 90061, 90222	9	446	224	71	295	22%	252	1,252	1,534	109%
21	Hawthorne, Gardena (part), and Lawndale 90247, 90249, 90260, 90504	20	408	693	19	712	21%	979	1,819	2,798	81%
22	Compton (part) 90220, 90221	13	600	445	98	543	36%	559	1,171	1,730	109%
23	Lakewood (part), and Long Beach (part) 90712, 90713, 90808	16	451	406	17	423	33%	520	1,181	1,701	130%
24	Torrance (part) 90501, 90502	8	496	138	8	146	18%	161	121	282	34%

*Note: Estimates of need were calculated using population data by residence. The Civic Center is a business center with a very high daytime working population and a limited residential population. This figure does not reflect the high child care demand generated by work location.

Data Notes

- (1) Area names are based on the communities defined in the "L.A. County Service Planning Area (SPA) Databook" produced by United Way of Greater Los Angeles and the County of Los Angeles Children's Planning Council in January 1999. Areas were selected by identifying the parts of the County with the highest concentration of County employees with children under age six and ensuring that at least one area in each SPA and in each Supervisorial District was identified.
- (2) These figures represent the estimated number of County employees with children under age six who live and work in the area. It includes a very small number of employees counted twice because they live and work in the area. The number of employees working in an area was estimated based on the results of a sample survey of County employees conducted in Spring 2000. The number of employees living in an area was estimated from Spring 2000 population data extracted from the County benefits data system.
- (3) These figures represent the percentage of estimated demand for child care that is met by licensed centers and family child care homes in the area. The data is extracted from the County of Los Angeles Child Care Needs Assessment adopted by the Board of Supervisors on August 8, 2000. Demand for child care is based on the number of children living in an area, adjusted for maternal employment, CalWORKs participation, and use of regulated child care. Infants are defined as children under age two and preschoolers age two through five.

